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DEPT FOR EUR/AGS, INR/EU, AND EUR/PPD FOR YVETTE SAINT-ANDRE  
OSD FOR COMMANDER CHAFFEE  
WHITEHOUSE FOR NSC/WEUROPE

E.O. 12958: N/A  
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SUBJECT: AUSTRIAN MEDIA HIGHLIGHTS: June 29, 2007

#### Coalition Ice Age?

**¶1.** All Austrian media report on the continuing serious tensions in the SPOe-OeVP coalition government. Now, the 400 million Euros the Defense Minister is expecting to retain from his deal with Eurofighter manufacturer EADS has emerged as the latest bone of contention between the two major parties. While Minister Darabos says he wants the money to go toward education projects, the OeVP insists the savings should be used to pay off debts.

According to ORF online news, Austrian political analysts and opinion pollsters have summed up the SPOe-OeVP coalition's image as a "government that only fights and doesn't do its job." In an interview with liberal daily Der Standard, Defense Minister Norbert Darabos meanwhile rejected claims by Vice-Chancellor Wilhelm Molterer that Darabos had failed to share the details of the agreement on the Eurofighters with the OeVP. He had "informed Molterer about all aspects of the deal negotiated with EADS. The only detail he and I could not reach an agreement on was reducing the number of Eurofighters." Darabos believes that this issue triggered the "crash-course" and the "public dispute" between the coalition partners.

#### Haider: SPOe Failed on Bilingual Town Signs

**¶2.** According to Carinthian governor Joerg Haider, the Social Democrats have failed in their efforts to resolve the dispute over bilingual town signs in Austria's southernmost province. He said he is pleased with the majority decision in the parliamentary constitutional committee yesterday. On Thursday, the OeVP, the FPOe and the BZÖe voted against the SPOe's motion to put the issue of the town signs on the agenda. The move was backed only by the Greens. Mass-circulation tabloid Oesterreich also reports on the tensions between the SPOe and the OeVP because of the unresolved issue of bilingual town signs in Carinthia. The "coalition crisis is reflected in the town sign problem," the daily suggests. After the OeVP had rejected a motion tabled by the SPOe to put the matter on the agenda in Parliament, Chancellor Alfred Gusenbauer accused the People's Party of having "let themselves be taken hostage" by Carnithian governor Joerg Haider.

#### EU-US Airline Data Exchange

**¶3.** According to ORF television's news report on Thursday, the United States will receive fewer pieces of information about passengers flying into the US in the future. A new preliminary agreement between the US and the EU defines which data the airlines are

required to forward to the US. It also says that the United States may keep the passenger information for up to 15 years, according to ORF TV's prime time news Zeit im Bild I.

#### Brown Reshuffles His Cabinet

¶4. Prime Minister Gordon Brown's new cabinet, which one Austrian daily describes as the result of a "reshuffle rather than a radical overhaul," met for the first time yesterday. His team includes Britain's first female Home Secretary, Jacqui Smith, Alistair Darling as Chancellor of the Exchequer, and David Miliband as Foreign Secretary. Every post except for the defense portfolio has changed hands, with seven ministers in cabinet for the first time. Jack Straw, a former Home Secretary and Foreign Secretary, has been appointed Justice Minister.

Centrist daily Die Presse argues that with his cabinet reshuffle, British Prime minister Gordon Brown has demonstrated that rapprochement within the Labour Party is high on his agenda. However, Brown had been expected to do more than just reward potential competitors. The experts and "defectors" from other parties, who he had announced would be included in his "cabinet of talents," do not show up on his list. Liberal daily Der Standard meanwhile says that "with his mix of time-tested politicians and young faces," Brown wants to "demonstrate the announced renewal at the personnel level." Likewise, independent provincial daily Salzburger Nachrichten comments that the "composition of Brown's cabinet confirms observers' expectations that the Prime Minister would get a number of young torchbearers as well as old allies from his days as the Chancellor of the Exchequer on board. Opposition politicians have criticized, however, that most members of Brown's government had already held cabinet posts under Blair, and had merely been relegated to different assignments."

#### Senate Blocks Immigration Bill

¶5. The US Senate has blocked a vote on a landmark bill that could have given legal status to around twelve million immigrants living and working illegally in the United States. The decision was a major blow to one of President George Bush's key policy plans. The opposition came from conservatives within President Bush's own Republican Party, who said the bill would have given amnesty to illegal immigrants. One Austrian daily suggests the issue may have been "too hot a topic" for the upcoming election year 2008. Semi-official daily Wiener Zeitung suggests that with the Senate's decision to block a bill on immigration, US President George Bush may have "squandered his last chance before the 2008 presidential elections to distinguish himself on the domestic policy front." With 46 votes against, the draft bill "must be considered as having failed." For Bush, who has been working on the reform for year, the Senate's decision is a "double defeat," the daily says: First, Republican Senators were among those rejecting the draft legislation, and second, immigration has already become one of the key election campaign issues," according to the Wiener Zeitung. Kilner